



EU-U.S. TRADE AND TECHNOLOGY COUNCIL

**WORKSHOP ON THE PROMOTION OF
GOOD QUALITY JOBS FOR A
SUCCESSFUL, JUST AND INCLUSIVE
GREEN ECONOMY**

REPORT

Stakeholder event

Date: 30 January 2024

Venue: Washington D.C., United States

#EUtrade #DigitalEU #TTC



INTRODUCTION

The EU-U.S. Trade and Technology Council (TTC) organised a stakeholder event to gather input on the Transatlantic Initiative on Sustainable Trade (TIST) work programme launched at the TTC ministerial meeting of 31 May 2023. The event opened on 30 January 2024 with a moderated workshop titled “Promotion of Good Quality Jobs for a Successful, Just and Inclusive Green Economy”. The aim of the workshop was to bring together labour, business, civil society and government to discuss the opportunities and concerns transitioning to green economies raises on both sides of the Atlantic when it comes to sustaining and creating high-quality jobs.

This report summarises the discussions and lists key findings and highlights suggestions and recommendations by stakeholders throughout. The introduction is followed by summaries of the two thematic moderated roundtable discussions on 1) the impact of green transitions on employment and 2) policy challenges green transitions pose for employment. Throughout the workshop, participants were invited to interact with the presenters and raise questions or comments. A list of stakeholder recommendations is included at the end of the report.



ROUNDTABLE 1: THE IMPACT OF GREEN TRANSITIONS ON EMPLOYMENT

The first issue discussed at the roundtable was the impact greening has on gender inequalities in employment. LinkedIn¹ presented data on skills demands and availability for green jobs. The presenter shared findings on a widening gender gap in green skills and green sectors, especially the renewable energy industry, and identified this as a barrier to women's employment in green jobs. The representative from LinkedIn concluded by calling for **national policies to have a gender dimension (e.g., targets) in green training and reskilling** with a focus on women-dominated jobs most vulnerable to climate change, and to **incorporate green skills and training into science, technology, engineering and mathematics (STEM) education for women**.


The second speaker, an EU labour representative, presented the success story of a declining Danish shipyard's transition to a thriving production site of offshore renewables facilitated by strong trade unions and social dialogue. The Lindo shipyard employed almost half of the Danish shipbuilding sector and was forced to close in 2009 after a decrease in world shipping prompted by the financial crisis. After mass job loss, social dialogue between employers, investors, government and labour representatives and reskilling supported by national and European funds (e.g., the European Globalisation Fund) allowed the area to reopen as Odense Port, Northern Europe's largest production port for offshore wind.

The presenter stressed how **extensive social dialogue, strong trade unions, and careful consideration of how to utilise automation and digitalisation**, resulted in better, higher-skilled and less labour-intensive jobs than before. A collective bargaining agreement on the right to re-education proved vital in reskilling affected workers so they could secure new roles.

The third presenter, a U.S. labour representative, shared an example from the Californian oil industry which illustrated the challenge of ensuring job-to-job transitions and providing much-needed displacement assistance. When the Marathon Martinez Refinery closed down during the oil industry's downturn in the COVID-19 pandemic, it laid off approximately 300 high-skilled and high-wage workers that had been long-time labour union members. Workers struggled to find work elsewhere; in a follow-up survey, the University of California found that a quarter were unemployed and those who were employed were often underemployed and making on average twelve dollars less per hour.

The site itself has successfully transformed beyond oil: It now makes renewable fuels. However, the new work requires less labour and only around 50 people have been rehired. As the speaker pointed out, retraining is only useful insofar as there are new employment opportunities offering similar pay and benefits. While some interim support is available for workers and there are ongoing labour union discussions on how to bring high-wage and sustainable economic development to the area, a lot of former employees still find themselves in worse positions than before. The presenter reiterated that **jobs need to be the first step in a just transition**, otherwise reskilling is useless, and workers will lose trust in a successful switch to greener economies.

¹ *Global Green Skills Report 2023* (2023) LinkedIn. Available at: <https://economicgraph.linkedin.com/research/global-green-skills-report> (Accessed: 07 March 2024).



“It’s been frankly heartbreaking, because these are real people, and these are real people’s lives.” – U.S. Industrial Union Representative

The speaker summarised their message to policymakers by saying that the green transition should **minimise social disruption, create high-wage new jobs, support laid-off workers and, most importantly, prevent job loss.**

EU and U.S. stakeholders expressed differing views on **prioritising job retention or reskilling.** When asked about when to switch from a defensive (protecting jobs) to offensive (building new jobs) strategy, worker representatives from the U.S. emphasised the associated loss of benefits that can accompany job loss in the U.S. (loss of healthcare, pensions, etc.) and were adamant that preventing job loss must be a top priority. Multiple EU participants mentioned that **employers in green industries should be clearer about the skills they will need** and will hire for; if they were, it would be easier to reskill and prepare endangered workers. It was also mentioned that EU firms that open businesses in the U.S. do not carry over their higher labour standards that are used in their European operations.

Finally, a representative of European employers emphasised the need to enhance market mobility through reskilling. They raised examples of best practices in four areas they saw government and social partner contributions making a difference.

The first role was **collecting data and forecasting** to anticipate changes in the labour market. In France, sectoral observatories of trades and qualifications (OPMQs) and a national observatory for jobs and occupations of the green economy (Onemev) provide data and allow for better job market forecasting.

The second contribution was **raising awareness**, policymakers telling stakeholders what to expect and firms telling employees what skill demands and employment outlooks to expect. In Estonia, a skills anticipation system is in place that matches the needs of labour markets to skills in demand, helping people make informed career choices, informing policymakers of real and anticipated effects on sectors, and aiding governments in designing employment strategies and education policies.

The third role for government and social partners was **updating and codesigning education and training schemes.** The Czech government adopted the Strategy for Education 2030+, which includes a revision of educational programmes to decrease learning content and strengthen a competence-based approach.

The final contribution mentioned by the speaker was **designing support mechanisms for retraining** (e.g., financial support). In France, Ecological Transition Contracts (ETCs) are binding agreements between regional authorities and firms for direct support for local low-carbon development initiatives. The Collective Transitions System (Transco) allows for the government to reimburse firms while their workers are retraining.

Both EU and U.S. stakeholders agreed that the goal should be to protect workers from falling through the cracks – i.e., job reskilling and social safety net programmes failing to find or help workers – and for new, “greener” jobs to be of high quality. They also agreed that social dialogue is necessary for this to happen. Labour standards, job quality indicators, and social dialogue should be incorporated into public investment in new, green industries. They noted that automation, artificial intelligence (AI) and robotics will likely increase the pace of change. To rapidly adjust, there need to be public-private partnerships and strong unions, who can have sincere and meaningful discussions with employers. Unions, as part of effective social dialogue,



can help increase trust from workers and reassure them that the green transition will not leave them behind.



ROUNDTABLE 2: POLICY CHALLENGES GREEN TRANSITIONS POSE FOR HIGH QUALITY EMPLOYMENT

The second roundtable opened with a discussion on supply chain traceability prompted by an EU employer representative who referred to EU legislation on conflict minerals, the Corporate Sustainability Due Diligence Directive and a legislative proposal for a forced labour products ban. The speaker suggested that EU legislation would impact U.S. firms and companies in third markets (i.e., suppliers of EU companies in third countries). The speaker raised the question of how far down the supply chain it is possible for firms to credibly carry out due diligence measures. The speaker advised that legislation should not negatively impact third countries (including the workers of the suppliers) or the level playing field (noting that cheaper products tend to be less sustainable and less traceable).

The discussion then turned to labour risks in green supply chains. Acknowledging the complexity of supply chain mapping, EU and U.S. business representative views converged on the need to eradicate forced and child labour from supply chains. To ensure better labour standards, the root causes of labour risks and violations – poverty and informality – need to be addressed. A U.S. business representative suggested that sourcing countries could be supported in tracing their supply chains and strengthening their capacity to build local solutions, for example by harnessing private-sector investment and promoting respective research and innovation (e.g., via business-to-business platforms).

Both EU and U.S. participants felt that the EU and U.S. governments are correct in pushing to do more to eradicate vulnerabilities and exploitation in supply chains. U.S. stakeholders noted that only some firms participate in private initiatives to address the labour risks in their supply chains, therefore there is a need for government intervention to push for higher standards and set a level playing field, and **to create standards, companies, unions, and the government should deliberate together** on legislation that could be successful.

Some stakeholders noted that firms, especially EU small- and medium-sized enterprises (SMEs), would find due diligence requirements very burdensome and are therefore postponing reinforcing their value chains. In general, there was agreement **that supply chain legislation will have to cover companies of all sizes, but there should be flexibilities to account for varying capacity**. Further, it was noted that China, given its ubiquitous role in supply chains, poses a major obstacle to implementing reporting standards, as they appear to rebuke or punish reporting.

A representative of European workers remarked that public money should ideally be **conditional and incentivise investment in equity** (i.e., training schemes, apprenticeships, closing the gender pay and employment gaps). In addition, the speaker noted that companies will have to compete more on high-quality working conditions. As labour shortages in unattractive sectors (e.g., in the building sector) increase, **labour standards and technological solutions will have to be introduced** to attract workers. Young workers' preference for work-life balance guarantees, attractive pay and training opportunities was referenced.

A U.S. worker representative with experience in the education sector noted the lack of employment opportunities coming with “wrap-around services” such as access to childcare, educational opportunities, or training centres and that workers need support (e.g., counsellors



or career guidance) in finding suitable employment. They felt that in the U.S., it was the responsibility of firms to provide such services in order to make workplaces more attractive. Another EU participant pointed out that in the EU, providing such services is in the remit of governments.

Stakeholders also discussed the mindset shift that has occurred in trade policy: Trade discussions are now intertwined with equity and sustainability concerns instead of only focusing on trade liberalisation.

Touching on trade in climate-friendly goods and services, participants called for considering trade agreements comprehensively and in an integrated manner, centring negotiations around workers and the environment, **beyond the respective dedicated chapters in a given agreement**. The World Trade Organisation (WTO) Public Forum in September 2023 was mentioned as a positive example of discussions on including environmental concerns in trade agreements. At the same time, there were calls for WTO policy conversations to be more transparent. One participant noted the recent launch of the ILO Coalition on Social Justice, in which the WTO and some governments take part. A U.S. multinational representative pointed to the WTO Environmental Goods Agreement as a positive example and noted that policymakers should be aware of which technologies (e.g., renewables, recycling) are driving changes in the EU and U.S. respectively.

Removing trade barriers is also important to foster trade in products driving the sustainability transformation. In this context, stakeholders were in favour of trade adjustment assistance. In addition, supportive references were made to the Buenos Aires Declaration of the WTO Task Force on Aid for Trade, which established the need to take gender perspectives as a guiding principle, and a need for a discussion about industrial policy at WTO level.

There was a suggestion to negotiate a binding rapid response mechanism for environmental matters similar to the Rapid Response Labor Mechanism in the United States-Mexico-Canada Agreement.

Finally, stakeholders also mentioned the following:

- They felt it was important to have clear communication from governments to build trust, especially in election years such as 2024.
- Union neutrality is crucial so that workers can actively exercise their freedom of association, especially in the context of EU-registered companies operating in the U.S. The U.S. including union neutrality in critical minerals agreements was put forward as a good example.
- Stakeholders suggested that removing barriers to the deployment of existing technologies should be supported to drive sustainable transitions. They cited the example of Mr Green Africa in Nairobi, a recycling company that integrated the informal waste-picker community.
- It was noted that formal qualification requirements sometimes act as barriers to employment. In tight labour markets, where workers have skills but not necessarily the right qualifications, companies should be more open and flexible in recognising such skills.



SUGGESTIONS BY STAKEHOLDERS

Stakeholders suggested that the role of government and social partners should be:

- Maximising the opportunities of a green transition while minimising the risks of social disruption, loss of jobs, income, and revenues of communities
- Ensuring that workers have a seat at the table, informing and guiding policy action for a context-specific just transition, strengthening social dialogue
- Collecting data
- Forecasting and anticipating changes in the job market
- Raising awareness (firms telling employees what to expect in terms of skills needs and employment outlook; policymakers telling stakeholders what to expect)
- Updating education and training schemes for the green transition
- Designing necessary support mechanisms for retraining (e.g., financial)
- Including a gender dimension in national policies for green training and reskilling
- Investing in retraining, with a focus on female-dominated jobs and those most vulnerable to climate change
- Pairing reskilling with social dialogue, digitalisation, and automation
- Incorporating green skills and training into STEM for women and girls
- Imposing conditionalities and incentives in public spending and procurement to spur action in the private sector to promote accessible and equitable jobs, training and retraining, skilling, and reskilling, as well as provide technical and displacement assistance for job-to-job transitions
- Supporting employer neutrality with respect to union organising
- Negotiating a binding rapid response mechanism for environmental issues
- Decreasing the divide between labour and environmental trade agreement chapters for greater coherence
- Supporting SMEs by creating flexible legislation that accounts for firms' capacities to oversee and impose rules on their supply chains
- Exchanging insights from recent reports and best practices of social partners for equitable outcomes and access to quality employment in the green economy related to:
 - Critical data and information
 - Advancing support measures for a just transition, including increasing investments in social protection and active labour market policies
 - Skilling/reskilling and other effective models to ensure access to good jobs for vulnerable workers impacted by climate change and climate policy
 - Best practices for assessing the employment impact of green energy and climate policies, including considering the impact on low-skilled workers and communities impacted by energy transition and climate change
 - Promoting social dialogue, including sub-national social dialogue
 - Just rules and distribution of investment
 - Integrating labour policies and practices into public and private investments in the green economy



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